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# The Pharmaceutical Market of the Russian Federation and the Chinese National Republic: Things in Common

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## Abstract

*The Chinese market gives unlimited opportunities for pharmaceutical companies. The Chinese firms are in search of partners, on the one hand, to provide the country with the western medicines, diagnostic means and the medical equipment, and on the other hand - to advance production developed, and made in China to the world market. The Russian pharmaceutical market opens huge prospects for cooperation in each of these directions. Russia has wide experience of traditional Russian medicine and a huge stock of natural medical products. Combination of secrets of traditional Chinese medicine and modern scientific potential will allow China and Russia jointly develop research activity and production of innovative medicine.*

30 years have passed since the market of the Chinese National Republic was opened for the international pharmaceutical business. This process was started in 1978 when Deng Xiaoping declared a policy of "open doors". Today China applies to be basic "magnet" for international pharmaceutical production.

Total amount of the retail market of medicines in China is 12 billion dollars (the 7th place in the world). It is expected, that by the 2010 it will have risen on the fifth place with amount of the market about 24 billion dollars, and by the 2020, in opinion of some experts, China will have exceeded the USA and its pharmaceutical market will become the largest in the world. The retail market of medicines in Russia is 7 billion dollars (the 11th place in the world).

According to journal «Pharma China» the growth amount of pharmaceutical sector in 2007 has achieved 20%. The marketing companies predict, that within the next five years the annual parameter of Chinese pharmaceuticals growth will be 10-15 %. In Russia it will be 7-8 %. In Europe and the USA of 2-5 %.

There are about 2 000 pharmaceutical companies, working on a cross-border market in China. Northern Chinese Pharmaceutical Company is the leader of the rating pharmaceutical producers of China.

The positive balance of Chinese pharmaceutical production for the 1st half-year of 2008 was 2,97 billion US dollars, the amount of export-import transactions was 13,65 billion US dollars. It exceeded a parameter for the similar period of 2007 on 49,67 %. The import has grown on 42,76 % - up to 5,34 billion US dollars, export - on 54,48 % - up to 8,31 billion dollars. Export - import of the patented medical products of the Chinese manufacture was 1,42 billion US dollars. Besides China exported 113,6 thousand tons of vitamin production on the sum of 54 billion US dollars. It exceeded a parameter of the 1st half-year of 2007 on 3 %.

The share of production of traditional Chinese medicine in the home market consists of 40 % of the common Chinese market of commodity for the health (fig. 1). The influence of this segment constantly grows.